

Wide-bodied jets unleash airfreight boom

by John Draper

SIR Freddie Laker's swashbuckling David and Goliath victory revolutionising air travel will undoubtedly be long remembered.

Almost unseen, unheralded and without an easily identifiable champion, another revolution is making its impact felt.

Beneath the cheap fare passengers, the cavernous holds of many a wide-bodied jet are filled to capacity with cargo.

Auckland airport is already suffering from freight congestion, Wellington—because of its runway limitations—has never tapped its full potential, and Christchurch is about to get a locally based all freight operation.

Air freight is booming.

In the last five years, airfreight in and out of the country has grown 80 per cent and Air New Zealand is budgeting on an annual increase of 14 per cent.

Virtually anything goes air freight. Cars even fit into containers carried by the wide-bodied jets. Most goods fall into two categories. Either the airfreight is an insignificant proportion of the final selling price or the buyer is willing to pay for fresh produce.

There is a third group of high priority items, such as spare parts for sophisticated equipment like drilling rigs or

pulp mills, where the cost is immaterial—speed is essential.

Air freight has other advantages which the big freight forwarding agents and the airlines never tire of pushing. One, not insignificant in times of high interest rates, is the cost of keeping stock. Air freighting cuts down delivery times saving on tied capital investments.

Rates are complex and still basically governed by IATA, the International Air Transport Association which has yielded its control on air fares. But rate setting is much more flexible and willing to accommodate governments wanting to give export incentives through special airfreight rates.

For exporters, wide-bodied jets are a boon. Suddenly, airlines are confronted with huge empty cargo holds several times larger than those on the supersized DC10s and Boeing 707s. Rates were struck just to get cargo, almost at any cost.

Those days are flying by. Freight is never likely to be directly subsidised the low fare passengers riding on its back, but in future it will soon be paying its way.

Exporters have been urging Air New Zealand to follow Pan Am in operating an all freight aircraft. Congestion is already clogging Auckland airport six months a year as more freight is put forward than there is capacity to move it. KiwiRut

exporters were forced to charter eight flights in May alone, to get their produce to market.

Rates will inevitably go up to pay its way. Air New Zealand has been increasing rates at a faster pace than necessary over the last few years to make the jump seem less severe.

Manufacturers and horticulturalists tempted to build exports on cheap freight rates, have also been warned off.

Now Government approval is being sought to convert one of its last three DC10s to a freighter at cost of \$500,000.

At the same time, the Government is considering three applications from local freight operators for international air service licences. Air Ag Freighters NZ Ltd has been contemplating a service to the Middle East for over a year.

Initially, it will charter aircraft to fly chilled meat and other agricultural products to the Middle East and Europe from Christchurch. Its long-term aim is to operate Boeing 747 jumbo freighters and it has already asked Christchurch City Council to extend the runway at Harewood by 1200 metres.

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Air New Zealand has said that it does not object to Air Ag getting into the business and has even given the company technical assistance.

Leading New Zealand

traders are winning stakes in Australia which more than cover the airfreight for a single meeting.

Air Pegasus is already in the business as the New Zealand agent for American airfreight operator TIA.

Air Pegasus now wants a

license in its own right—it has

been effectively using Air New Zealand's, in the past, for trans Tasman flights. The application is almost certainly

provoked by Air New

Zealand's intention to offer a similar service in the near future.

Air Pegasus has reached agreement with TIA to charter its stretched DC10 freighter which, in the last 15 months, has carried more than 2000 horses, 7500 cattle and 3300 sheep on 84 flights.

The three applications, and Air New Zealand's announced intention to operate its own all freighter has posed a problem for the Government. In the past, it has had no firm policy on air freight operations. Charters have been handled on an ad hoc basis and permission has usually been granted.

While Air New Zealand was not directly involved, there was little conflict of interest. Now the national carrier wants to operate across the Tasman and up to the United States, a policy must be

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transhipped to Auckland or Christchurch where it is repacked into international containers.

Wellington Chamber of Commerce claims the potential for airfreight is barely being tapped in the region.

Spokesman John Stevenson says Wellington region is second only to Auckland in terms of manufacturing output.

"Manufacturers who want to export are at a serious disadvantage to those in Auckland or Christchurch," he said.

"Our cargo groups also, the extension of Wellington's runway can be economically justified."

Air New Zealand's own incisive, published in "The case for a longer runway at Wellington Airport" last year, supports Stevenson's point.

While it predicts a doubt in passenger traffic in the next 12 years, freight is expected to increase more than four fold.

By 1991 the 2025 tonnes the

airline will have

transited through Wellington's

runway will have grown to 93

tonnes.

Domestically, the freight

service is changing almost as rapidly.

Nationwide Air has challenged Air New Zealand's monopoly on domestic routes with its two Carair

Primarily, Nationwide Air

was set up to carry new cargo

across the Cook Strait and the

service quickly expanded to

include a Wellington

Christchurch-Auckland air

freight leg.

Now suspended, the service

stirred the interest of another

independent operator,

Tauranga-based James

Aviation.

Nationwide's original

aircraft are up for sale and

the airline searches for

replacements.

Nationwide's strongest

opponents, when they try to

get airborne, will be the

Railways.

Nationwide Air has seen a

slight upturn domesti-

cally

after the economic recession

of 1974.

Air New Zealand's

introduction of a DC10 series

between Christchurch and

Auckland has boosted

domestic

freight

capacity and enabled

Sea

Island

exports to be

shipped

internationally.

Container

freight

is also

expanding

domestically.

Meanwhile, the Fiji-based

airline

has

been

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freight

services

between

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and

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Back to basics crowd gives PM the message

by Colin James

PRIVATE enterprise and individual initiative are alive and living in the hearts and minds of the National Party grassroots.

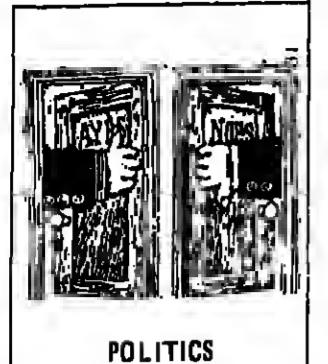
At five divisional conferences up and down the country, party activists have been giving MPs the message: "Get the Government out of our hair".

There has been a resounding assertion of party objectives and:

"To encourage the growth of private enterprise with healthy competition and to promote individual ownership. To encourage individual effort and initiative, thrift, self-reliance and efficiency."

Take the Wellington division, which is urban-rural, big town-small town make-up is representative of the party as a whole.

The division decided to "draw the attention of the parliamentary wing to certain objects of the party ... more especially numbers 7, 8 and 11". Object 7 is "to ensure the greatest possible measure of



POLITICS

personal freedom and to uphold the rule of law whereby the citizen is protected from arbitrary government".

The division went on to demand "that the movement towards bureaucratic government and permissive socialism is halted".

What "permissive socialism" might be is beyond me, since it seems to be a contradiction in terms, rather like "aboriginal motherhood". Whatever it might be, the Wellington delegates were in

no doubt that they were against it — and that it was being perpetrated by their Government.

Bruce Larsen, a disturbingly self-possessed Young National real estate salesman of 22 said: "The Government has reduced a once enterprising people to 'cradle-to-grave' mendicants".

Hamish Kynoch, elegant Hawke's Bay farmer: "New Zealanders want the chance to express themselves free from the restraints of central government, save those restraints which guarantee their future freedom."

And divisional chairman Roy Johnston had this to say in his annual report: "Most party members appreciate that these primary objectives have been in front of National members of Parliament and have been consistently advocated by them. While party members command this attention to these objectives, they would be happier if these fundamental tenets were put into practice."

There is another important

difference this time. In the past, party conferences paid ritual obeisance to the principles and in the next breath called for a bit of Government spending here and a bit of Government intervention there.

For one thing, this is not the rabble speaking. Three of those men are dominant councillors of the party.

Secondly, this time those higher up the party pyramid are saying the same thing. "Back to basics" was the theme of president George Chapman's very warmly — even affectionately — received address.

"That's been one of the divisional conferences and will be through the Dominion conference. That will be the that we're going to give

I am told he also talked "restructuring" of the Canterbury-Westland conference. Whether that place delegates there, I do not know. But he did not say so to Wellington delegates.

For two days — and for months before that — the delegates have been talking private enterprise, individual initiative, their selective freedom of the individual.

Yet from the Minister, not a single name of any of these is catchphrases. No progress. No goal. Just the briefest vague gestures.

Why? One must present agrees with them on the party's principles etc.

He has been made aware of the need to do so.

And if he is doing a good job for the economy in the sense they want, it seems right that should not be more than to invite delegates and see what is in the way to say he thought he would not be displaced.

Instead, he has left open the rift between the party organisation and the government, over which Chapman is keeping open the lines of communication.

Perhaps he sees evidence in the keen competition at the divisional conferences that the party is swinging in their direction.

If overruling us were to make drastic changes we would create very high unemployment, there would be extreme social stress and we would have a situation which I believe would be unacceptable to most New Zealanders," he says.

He came to this view "partly listening to a politician, to many New Zealanders and hearing from them how important protection of one kind or another is to them. I hadn't fully appreciated the level at which they regard the damage to hormone sprays — are permitted.

The Agricultural Chemicals Board will consider submissions from 16 out of about 70 bodies who responded when circulated with the proposed changes.

A subcommittee was formed, which reported back to the board earlier this year with the proposed changes.

Adrian Foley, deputy for the registrar of the Agricultural Chemicals Board, said that almost all crops were affected by hormone weed-killers.

Grapes had no special sensitivity, but generally were grown close to farmland, while other crops were contained within horticultural areas, he said.

Policing and enforcing the regulations had been a difficult task, he said.

Hormone weed-killers presented special difficulties because small amounts had a big effect.

If a breach of the regulations was suspected, it was up to the Ministry of Agriculture and Fisheries to pursue the matter. Unless witnesses were on the

solution of the major problems.

This sounds perfectly reasonable, but generally were grown close to farmland, while other crops were contained within horticultural areas, he said.

So his speeches to the divisions have been of special importance. The impression I was given by Wellington delegates was that they would accept a delay in the move to a "more market" economy, if it was backed by sound reasoning (perhaps of the McLean sort), and

it was against the background of a stated longer-term objective of shifting toward the "more market" economy.

As Kynoch said in a debate on a motion demanding an improvement in the Government's public relations, party members could be the most effective public relations tool — if the Government gave them the oil.

They got neither from the Prime Minister. They got a low-key anecdotal speech harking back of one point as far as 1947.

He did briefly refer to the Budget, which he said would be seen to wrap up the measures the Government has been taking into a comprehensive whole which has regard to the short-term problems and "the longer-term change of direction of the economy in the light of the changing world economy".

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anywhere, it is from the nervous and remiss, confident and relaxed, Chapman, who is in the hearts and minds of grassroots.

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EDITORIAL

At least one National Party electorate is concerned that the Government is failing to communicate its economic policies effectively to the public. The Ohariu electorate — significantly, the seat of Deputy Finance Minister, Hugh Templeton — put forward a remit for discussion at the party's Wellington divisional conference the other day.

In an accompanying note, the electorate rightly observed: "The current economic situation requires the implementation of policies with a varying degree of popularity. The success of those measures depend largely on the understanding and support of the New Zealand public." Thus there was an obvious need for the Government to provide sound explanation of its policies and actions to obtain full public support, the note urged.

The Ohariu electorate regarded the news media as the problem. Current public relations effort continuously fails to achieve best results "from a largely unco-operative press media," the note said. Then it proposed: "Improved management of the press must be a high priority. Poor public relations planning has in the past resulted in disjointed releases, confusing the public and providing opportunity for criticism by commentators."

Did the electorate want the news media controlled to best promote the party's political interests? That would be to follow the practise in totalitarian countries of making the media an agent of Government and obliging it to peddle party propaganda.

More likely, Ohariu merely wished that the Government would clean up its act. In that case, concerned party members may have to go right to the top for the solution they seek. Some of the most absurd examples of bad communications are to be found inside the Government — for example, when Templeton delivered a speech in which he mentioned price controls, oblivious to the fact that a few hours earlier Muldoon had announced the intended lifting of these controls.

Dominion councillor Hamish Kynoch more realistically said in debate on public relations that party members could be the most effective public relations tool — if only the Government gave them the real oil.

Ohariu is not alone in its concern that the Government's economic policies are not being understood by the public. The Prime Minister has said several times recently that he is not getting his message across through the news media. This newspaper was willing to facilitate communication — at least with our readers — through a quick on-and-answer session with Muldoon on his economic strategy and the political factors affecting it. Regrettably, he declined on the grounds that our editorial line was one of the things that created the difficulty in conveying his views to the public, and because he had no confidence that any interview he might give to us would be otherwise than a target for further sniping". He should be preferred to "rely on less biased journals".

In recent days, National Party regional conferences have clearly reaffirmed party aims to encourage the growth of private enterprise through healthy competition and to promote and encourage individual ownership, effort, initiative and self-reliance.

A business community anxious to see those principles translated into political action above all would welcome the creation of a stable economic climate in which their companies can most effectively plan their own future stratagems and operations.

Business confidence is now at a low ebb because of — among other things — the uncertainty which results from the Government's practice of suddenly announcing surprise economic measures, such as the 60 per cent hike in power charges and the more recent wage tax.

All might become clear on Budget night. But to the last three years, the internal deficit has turned out to be at least \$300 million, different from the budgeted figure. Thus even the Budget has become a document of dubious worth as a statement of the Government's economic intentions.

Bob Edlin

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THE New Zealand Monthly Review, a socialist newspaper, has taken us to task for becoming the media voice of those economists and liberal businessmen who are advocating the "reformulation" of the free competitive market.

In a column entitled "Windmills of the Mind", an unnamed scribbler notes: "Of course, the paper admits that the process will be painful. Indeed as we disappear down the plug hole with the bath water, our copies of NBR will become increasingly waterlogged and incomprehensible."

Which sounds like a note of disapproval, suggesting that maybe we are doing something worthwhile to attract criticism from the right-leaving Muldoon and a left-leaning rag all in the same mouth.

YOU'VE probably seen among the display of Post Office posters one advertising the attractive range of stamp postcards. These carry large-scale illustrations of New Zealand stamps and are most popular with stamp collectors here and overseas.

When a customer for stamp postcards found one post office out of stock recently, she went to one of Wellington's largest branch offices in Manners Street. Not only was this office out of stock but counter staff, including the supervisor, were completely unaware of the existence of stamp postcards. They referred the customer to the philatelic branch.

So we all make mistakes and Post Office staff are expected to be experts in a hundred fields and still do surprisingly well in coping with their vast range of duties.

But wouldn't staff and management achieve more by blocking the small holes in the system, by giving the public the service it wants, rather than by blighting publicly about the Government's refusal to introduce Post Office courier services.

BROCKIE'S VIEW



That takes care of a discriminatory aspect of a search for two executives at a legal point of view. But remain puzzled by the failure to give a hint as to why Kiwis of Scottish descent were so favoured — or who would constitute prospective voters.

We were treated to a pedantic display in television by management and staff representatives that did not help anybody. The decision had been made. Why not now get on with the job which still needs to be done and which we know can be done so well?

FROM "Abattoirs — operation of" at \$1.80 per \$100 to "Zoological gardens — operation of" at \$3.15 per \$100, the Accident Compensation Commission Levies on Employers booklet is a fascinating study of the risk attending various vocations. It can also be a little mortifying.

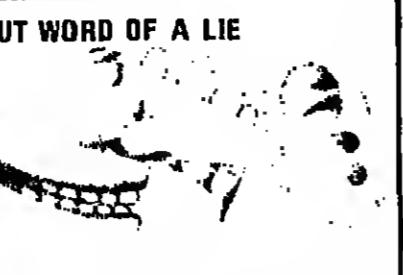
With a scale that climbs from the safe, sedentary jobs of accounting, clerking and lawyering at 50 cents, to the muscled miners and troglodyte tunnellers at \$5 per \$100, there is plenty of scope to rate yourself against the accountant and assistant manager.

Starting base salary for both positions was between \$1520.00 and \$2000.00 on top of which the appointee would enjoy Saudi taxes, automobile, paid housing and 30 days vacation with the round-trip air fare home.

Customs duties and salary exemptions for gifts have been increased from \$100 to \$150.

The American mail order house will bill you through New Zealand branch of credit card company if you pay your bill. And you pay New Zealand currency.

The Reserve Bank naturally frowns on gambling activities, but according to reliable sources, it is difficult to track down every bet on a



even the selling of newspapers warrants 75 cents, the same as pawnbroking. While just entitling to make the consumer deal with the lucky Americans with so much yet to be lost consumer durables.

Of course your need to know a lot more than the bare table reveals to understand why the construction and maintenance of radio and television masts rates only the same as the job of opening shellfish at \$1.55.

But things are not always what they seem and cushy jobs not as safe as you think. If you're manufacturing rubber mattresses, the levy on your earnings is \$2.05 per \$100.

A NEWLY formed Saudi Arabian hospital management company has been advertising in Australia for "two honest, loyal, motivated New Zealanders of Scottish descent" to fill the jobs of accountant and assistant manager.

Starting base salary for both positions was between \$1520.00 and \$2000.00 on top of which the appointee would enjoy Saudi taxes, automobile, paid housing and 30 days vacation with the round-trip air fare home.

Along with the letter of application, the company wanted a photograph, no doubt to ensure that our old mate Hepi McFiehli would be prohibited from consideration.

The advert — published, for example, in the Australian Financial Review — drew the attention of the Community Relations Board, which formally advised the newspaper that publication contravened the law.

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card holder's account.

Which, unless one is very unlucky, leaves only the moral question of circumventing this country's hot house protectionism to buy the best goods available at the cheapest possible price.

The free enterprisers among us might forestall this moral dilemma by asking themselves Crito's question, "why obey an unjust law?"

THUMBLING through our energy file for background material to an article in our Annual Transport Survey, we discovered the busy bee is the most efficient energy user around.

While pollinating the roses, making honey and whatever else it does buzzing around the garden, the bee consumes one joule of energy every 200 million kilometres.

We humans use about one gigajoule, roughly measured as kilo of coal or 30 litres of petrol, every 3½ days for all our energy needs.

According to the DSIR

discussion paper on transport

fuels we were looking at, we should be relying on pedal power in future. Man can travel 16,000 kilometres on a bike for every energy unit he turns.

It heals walking in more ways than one. Stepping out briskly, man burns a gigajoule every 3000 kilometres.

Horses are not very much more efficient than cars, which after all usually have quite a few units of horse power under the bonnet. The horse can go 570 kilometres for his energy unit while a car runs out at 300 kilometres.

But then horses have other uses. Car exhaust is not going to produce much for the bee to pollinate.

Thus in a letter accompanying a press release, society president June Percival writes: "As the society is open to both men and women, we are anxious that as many people as possible in the business world are aware of our existence."

Among the society's objectives in the coming year:

passing on to younger colleagues hints which senior secretaries have learned through experience.

"It is the familiar and often

second nature things which are so natural for the secretary who is stepping on to this pathway. So this valuable knowledge can be passed on, the incoming executive

And now he is prepared to

contract.

They can be a useful aid in

Clyne's favourite game of

dodging the tax collector, as he slips through one loophole after another.

Clyne, a Master of Laws,

infinitely dislikes paying taxes, especially on the big fees he earns from telling others how to follow his lead.

And now he is prepared to

contract.

CONTRACTS are a familiar

device to the artful dodger, alias Australian Peter Clyne, in his constant battle against the fiscal dragnet.

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Maori seats hamper Labour's victory chances

by Gaff Gomlin

NEW Zealand's almost unique system of separate representation for Maoris and the general population has much to answer for. The resultant chaos was evident in the Supreme Court's judgment on the Hunua electoral petition.

Many votes were disallowed because of mix-ups between the Maori and general rolls. And the judges commented that similar investigations in the Maori seats in particular would have led to the disenfranchisement of so many voters that new by-elections probably would have been required.

More important, the 1978 election result shows that separate representation distorts the electoral process to such an extent that it was primarily responsible for National obtaining the majority of seats in Parliament, and thus enabling the Government, though it polled fewer votes than Labour.

A Government committee has been set up to study the Electoral Act. But any proposals short of ending separate representation will amount to tinkering with serious electoral and constitutional problems.

The existence of only one electoral roll would reduce the possibility of large numbers of New Zealanders being disenfranchised in future elections.

It would remove serious distortions to our system of representation. For example, an integrated system of representation would give Labour, as the highest polling party, the same level of representation as the Government in 1978.

And it would transform the Maori population as a political force. Now an isolated group which is ignored or taken for granted by the political parties, Maori would be placed in the mainstream of politics with an influence rivalling that of the farming or working class vote.

The outlook for Labour is therefore clear: just as separate representation cost the party the 1978 election, it will be faced with the need to poll an even more decisive lead in votes in future elections to obtain just a bare majority of seats.

But this expansion of the Maori population would work to Labour's great advantage if there were no separate representation.

In 1978, Labour would have won with a good working majority, because of the two ways in which an integrated system would apply.

First, the boundaries of electorates would have been drawn up on the basis of total population, rather than just the general or non-Maori population.

With 70 per cent of Maori now living in city and town areas, this would have meant that almost all of such urban areas in the North Island, where most of the present marginal seats are situated, would have had to be substantially redrawn.

Second, there is the effect of the Maori vote itself. In 1978, Labour obtained 36,583 Maori votes to National's 4887. Because such a large number of those votes would have originated from the areas with redrawn boundaries mentioned above, there is no doubt that under an integrated electoral system Labour would have been returned to power.

Further, there is a vast potential for an increased turnout of Maoris at the polls. In 1978, from a total eligible voting population of 185,000, only 46,744 cast valid votes in the Maori seats.

The anti-Labour distortion in the electoral system therefore can be traced directly to the Maori seats. In these, Labour was wasting a highly disproportionate amount of its support relative to National in only a few seats.

undoubtedly there were many who voted in general electorates.

But it would be fair to say that more than half of all Maoris over the age of 18 did not cast a vote last year.

A single roll system that was efficiently compiled should drastically cut down on disallowed votes, while the much greater competition between the parties for votes in integrated general electorates should combine to substantially increase the number of valid votes cast by Maoris.

For example, a 70 per cent turnout in 1978 would have yielded a total of 95,000 votes and in 1984 it would see 125,000.

Such large numbers of voters, together with the distribution of many of them in most of the politically marginal areas of the country, would herald a new ball game for our political system.

It is apparent that the existence of two rolls was to

blame for much of the large-scale disenfranchisement of voters because of enrolment irregularities in Hunua.

The point of the decision to use the resources of the State on census day in 1976 to enrol people was that it was believed this would achieve a much more universal and accurate enrolment than was possible when the onus was on the individual.

The failure to do this can be put down largely to the confusion the existence of two separate rolls posed to people attempting to enrol and the much more complex problems they posed for the electoral system. Thus, large numbers of people ended up on the wrong roll, the wrong electorate, or were not enrolled at all.

Many of these would have gone to the polls in 1978 in good faith, believing they were correctly enrolled to cast votes which would later be disallowed.

Others who became aware of their position would have encountered great difficulties in rectifying the situation — particularly if it involved a change between the Maori and general rolls.

Even when there is just a single electoral roll, as in Britain or Australia, the large-scale mobility of people and the continuing intake of new electors as they fulfil age and residency qualifications presents massive problems to maintaining an accurate and up-to-date register.

But the need also to place electors into separate electoral systems, each with their own rolls, is bound to cause insurmountable problems.

A continuation of such a system in New Zealand almost certainly will mean that Government attempts to eliminate the resultant widespread voting and enrolment irregularities will centre on measures designed to more closely scrutinise the validity of votes, thus leading

NEXT WEEK — The consequences of a single system of representation for the Maori population: a potential political influence rivalling that of the farming and working class vote.



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advice and service ensuring you get the protection you require.

Royal Insurance has assets exceeding \$4,000,000,000 and is represented in over 80 countries.

If you want insurance that fits your requirements, talk to your Broker, agent or Royal Insurance office.

TV makers reach a plateau with colour sets

by Julie Dalzell

TELEVISION manufacturers expect a 63 per cent market penetration of colour TV sets by Christmas.

Three out of five New Zealand households will then have colour TV, according to the immediate past president of the Radio and TV Manufacturers' Association, Les Fuller.

This represents a plateau period for manufacturers, with the second set and replacement set market at least two years away.

First, second or replacement set buyers who still want a humble black and white set will be lucky to find a new one in New Zealand, because manufacturers are concentrating almost entirely on colour.

Only 2000 black and white sets were produced last year. The necessarily small-run production makes it too difficult for most manufacturers to produce both black and white and colour.

For New Zealand

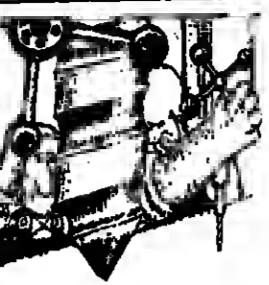
manufacturers, the boom times were the heady old days of 1976, when almost 140,000 sets were produced by the six manufacturers in the field: Phillips Industries, Pya, Thorn Electrical, Allied Industries, Atlas-Majestic and Autocrat.

Then came a crash period. The 20 per cent sales tax was increased to 30. The hire purchase regulations requiring a 10 per cent deposit with maximum period of 30 months to pay were changed to a hefty 60 per cent and 18 months to pay. The initial period for renting was increased from 12 to 24 weeks.

And manufacturers were left floundering on how to predict demands.

In 1977, sales dropped to 70 per cent of the previous year and the early part of 1978 was looking more grim.

Some hard lobbying soon produced a rescaling of the tough HP regulations; the manufacturers, led by Pye, introduced an attractive three-year guarantee on new sets; advertising was stepped up;



THE MANUFACTURERS

prices came down slightly; and the picture began to improve by April 1978.

Various other factors, such as last year's back pay putting more money in pockets for a short time, imminent Games' coverage and the prospect of various rugby and cricket tournaments, also spurred intending buyers to put in their orders.

But the total number of sets produced in 1978 was still only 86,700.

Television buying, like much in the appliance business, is seasonal. The prospect of long,

cold winter nights tends to push buyers into action, and others down to the hire shop.

So while the prospect for winter sales is reasonably good, demand inevitably drops off in the spring, forcing manufacturers in a yo-yo market situation to be extra cautious in projections, and currently unable to meet demand.

For those consumers wavering about a colour set, price is a major factor.

Despite good ex-factory prices, the 30 per cent sales tax added to the 30 per cent retailers' margin makes for high prices. The lowest price set available retails around \$800 and the highest reaches nearly \$1800.

While domestically, prices are steep, manufacturers can compete favourably on the export market with a high quality product.

Pye, the major exporter, has markets in Hong Kong, Singapore and Malaysia.

The line-up of the six manufacturers has produced

no drop-outs in the six years since colour production began in 1973.

At that time, manufacturers came into the market to a high plateau of technological development with high quality tubes already available.

The subsequent six years have seen further rapid development, with simpler chassis design, fewer and better integrated components allowing for a cheaper product, and generally improved reception.

This has enabled prices to remain steady, notwithstanding inflation and the current state of the New Zealand dollar against the yen.

Retailers' report that demand is still high for the bigger screen sets, with 22-inch and 26-inch selling predominantly, and a small market in 14-inch portables for the few second-set buyers.

It is about this time of year, anticipating winter sales, that the advertising campaigns are stepped up. But the overall approach now, compared with the hard-hitting years of 1973-

1976, is towards low-key campaigns.

Manufacturers are anxious to further stimulate demand they cannot meet.

Phillips, currently market leader, will continue with a consistently used tactic first used in the launch of the KX range in 1973 — that is, colour so natural it's almost like being there.

Other manufacturers have tended to stress technological developments, couched in technical jargon associated with the TV picture.

The approach from manufacturers this year is expected to be one which reminds consumers that they are still in the market with a gentle push for sales.

The other market the overseas manufacturers are energetically pursuing is that of video cassette recorders for domestic use.

This seems to be a long way off in New Zealand. No legal licences for component have yet been granted, and the video cassette machines that are imported into the country are used mainly for educational purposes.

It does seem that not everybody wants a colour television, however, and the retail market is not strong as it might be. The market appears to be flat.

The Crime Prevention Unit of the Wellington Police Department reports the unprecedented statistic that in 1978 colour TV sets in New Zealand is static.

Most of these sets have been pre-ordered and often pre-paid items, with prices high at business risk. So it goes.

by Belinda Gillespie

WORKERS who apply 2,4,5-T and pregnant women whose children might be affected by it, are dissatisfied with the Agricultural Chemicals Board decision which permits its continued use.

Knox said that neither the FOL nor those most directly at risk — contractors and agricultural workers — were represented on the Agricultural Chemicals Board.

Regardless of the Oregon report's validity, he said there was no scientific unanimity on the safety of the herbicide, and there was a need for a full public enquiry.

FOL involvement stems from the dismissal of a member of the Auckland Labourers' Union for refusing to handle 2,4,5-T.

The workman had been told to use the substance near a waterway, which constituted a "dangerous use", according to the manufacturer's label.

The FOL did not involve itself in the union dispute, but is hacking the Labourers' Union action on the grounds it illustrates an important question of occupational safety and health.

Ivan Watkinson, New Zealand manufacturer of 2,4,5-T and others with a vested interest have suggested in the past that environmental pressure groups have no right to refuse if they are instructed to carry out procedures they believe

are unsafe.

In Britain, the "Safety and Health at Work Act" allows workers more involvement in

decisions which affect their personal safety, and gives protection against dismissal or disciplinary action.

A further lack of confidence in the Agricultural Chemicals Board decision was illustrated in a NZ Truth front page story about West Coast women who had been exposed to sprayed 2,4,5-T during pregnancy.

"Equally important are the relative usefulness of the product, its alternative, whether restrictions can be adequate, and the views of the community who are at risk, that is, especially rural women and applicators," a committee spokesman said.

In the meantime, the commission has emphasised both to the Health Department and the Agricultural Chemicals Board the need for a different style of decision-making in relation to this issue and urged that it would be appropriate to set up a special panel.

This is intended to allow independent scientists and relevant representatives from the general community to make an independent recommendation.



JIM KNOX . . . those directly at risk were not represented.

Among other submissions on the Pesticides and Toxic Substances Bill, the commission has called for more effective pre-market testing and scrutiny of new chemicals; clarification of industry's legal responsibilities; giving the board a clearer role in guiding New Zealand to the wise use of pesticides; and placing tighter restrictions on aerial spraying.

Board misrepresents experts' 2,4,5-T findings

by Belinda Gillespie

The Agricultural Chemicals Board misrepresented the findings of the independent experts appointed by the Health Department to review the Oregon report on 2,4,5-T. The six were appointed only to evaluate the report "to determine whether it contained grounds for the banning of the use of 2,4,5-T in New Zealand."

The board's conclusions are that the report "is grossly inadequate from a number of points of view." These relate to the scientific validity of the report — for example, the areas studied were too dissimilar for valid comparisons to be made, and statistical and logical flaws were found in it.

R. J. Clark, chairman of the Agricultural Chemicals Board, announced on May 11: "The board accepts the advice of the Health Department and a panel of six independent experts that there is no evidence to show 2,4,5-T causes miscarriages and human birth defects."

This far exceeds claims of the department's evaluation, which did not purport to "clear" 2,4,5-T — only to shoot down the Oregon study as a basis for banning it.

Clark's claim that there is "no evidence" to indict 2,4,5-T is belied by his final comment: "Any further pertinent data relating to the use of 2,4,5-T which become available would be carefully evaluated by the board, the Health Department and this advisory panel."

The hypothetical remains unproven one way or the other, and it is unlikely that any "scientific expert" — no matter how conservative he is — would accept the claim.

The officials are bound to review all new evidence as it comes to light, as no scientific decision will ever be final, despite attempts to silence public concern by suggesting otherwise.



Airline casts for tuna

by John Draper

QANTAS is hoping to make a big catch in New Zealand waters.

Subject to Government approval, the Australian airline will be whacking away fish worth \$2000 each in the Japanese market.

The southern blue fin

is found in South Island waters and off the eastern coast of the North Island during winter months for up to \$90 a kilo.

Japanese long-line boats

catch around 500 tonnes a year. This is deep freeze and is regarded as so inferior to product from the fresh fish.

An Auckland-based company is seeking Government approval for a joint venture with a Japanese partner to catch and market the fish.

Helicopters will drift to

quality tuna, which weighs

50 kilos, from the fishery to

Christchurch or further

up for a 16-hour flight to

Sydney.

If all goes to plan the fish

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Economy	Mini	A	\$ 40.00	10c
	Chrysler Avenger, Ford Escort, Honda Civic	A	\$48.00	11.5c
Small Sedans	Mazda 323/600, Toyota Corolla, Datsun 120Y/510/610	C	\$ 50.00	12.5c
Small Station Wagons	Toyota Corolla, Matrix 808	D	\$ 58.00	12.5c
Medium Manual	Holden Kingswood	E	\$ 72.00	13.5c
Medium Auto	Gilra 5000, Toyota Corolla, Mardi 95B, Ford Cortina	F	\$ 80.00	14c
Medium Station Wagons Auto	Ford Cortina 2.0L, Mazda 929	G	\$ 92.00	14c
Large Sedans	J. M. Holden Kingswood	H	\$128.00	14.5c
Large Station Wagons Auto	Holden Kingswood, Ford Falcon	I	\$139.00	15c
Luxury Auto	Ford Fairmont	J	\$150.00	21c
Power Steering	GM Statesman de Ville	K	\$200.00	25c
	Luxury Mini Coach	L	\$ 92.00	14c

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Rugby, racing and radio

WELLINGTON'S 22M has a stated target audience of the 15-34 age group. Its problem is: how to mount a station promotion programme that would build identification with the target audience and win listening support?

Research provided an answer. In the male component of the target audience, no less than 35 per cent were actively participating in rugby — as players, coaches or in some official capacity. Furthermore, 75 per cent of this total age group displayed interest in rugby — as players or supporters. Coupled this with the fact that the Wellington representative rugby team is the current national champion and 22M had a deal.

So 22M are now official sponsors of the Wellington team. "We particularly want to encourage interest among younger people," station manager Doug Gold told Admark.

"We will be giving the team programme support, publicly will take many forms and there will be promotional activities to involve listeners."



An unofficial value of \$15,000 has been put on the sponsorship but this is likely to include the capitalised value of programme and editorial material that will be involved together with sponsorship advertising generated by 22M's sales staff.

Sponsorship floated

IF IT is the aim of every sponsor to get the maximum possible mileage out of its sponsorship, Holland's largest shipping line, the Nedlloyd of Rotterdam, should certainly realise its ambition.

The line has just announced its sponsorship of the Spice Race 1980 to be staged over a distance of 19,000 kilometres between Jakarta and Rotterdam.

The Nedlloyd Spice Race will start on March 12, 1980 and, after a stop at Cape Town, will finish at Rotterdam between mid-May and mid-June.

Under the rules of the North Sea Club and the Royal Ocean Racing Club, it is open for monohulls of between 8.85 metres and 21.35 metres but excludes catamarans and

trimarans on safety grounds. Prizes will be awarded for both legs as well as final placings.

PR practitioners Nellson McCarthy are seeking to promote interest in entries from New Zealand keel boat owners. Assistance will be forthcoming from Nedlloyd New Zealand.

All Nedlloyd offices along this traditional route will be mobilised and the large fleet will assist in maintaining radio contact with the participants.

Cricket player bowls maiden

ONE of our readers was so stimulated by an article which

appeared on this page in our issue of April 11, that he wrote his maiden letter to an editor. He is Robin St C Crnne, managing director of Marlborough House Ltd which publishes "The Cricket Player", "Rugby League News" and other sporting publications.

He first takes issue with our statement about advertising agency commission: "The commission represents a fairly low selling cost."

"I take the opposite view," Crnne writes, "the commission rate referred to is 20 per cent (15 per cent commission and 5 per cent prompt payment).

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Unless you relate commission to population, audiences, media costs and revenues, to compare New Zealand's 20 per cent

commission with five-times bigger Australia's 15 per cent is like comparing our wheat crop with Australia's.

And even then, the Australian commission is augmented by agency service fees which provide an effective rate of about 17.5 per cent.

Large countries would have economies of scale. Not a few American agencies would have revenues — that is, incomes — in excess of the total billings of all New Zealand agencies.

By the way, Argentina, Brazil, Greece, Israel and Portugal are countries where 20 per cent commission is paid.

Crnne continues: "The higher commission rate also means that every "man and his dog" can start an advertising agency if they are able to obtain just one \$100,000 account — not too difficult to do these days.

"In fact your assertion 'Media also save operating costs in dealing with a small number of agencies instead of hundreds of individual advertisers...' is incorrect.

"There are in Auckland alone over 80 advertising agencies (just look in the yellow pages). Many are not accredited by national media but they get unusual thrills by employing accredited agencies to make their placements at a fee."

Surely that is the point. When unaccredited agencies place through accredited media, they are still dealing with a limited number of agencies. Certainly not with hundreds of individual advertisers which is the reason for accreditation.

Crnne again: "The answer is the scrapping of all agency commission, and that agencies be paid a fee for their work by their clients. Media prices would drop dramatically overnight and advertising agencies might look a little more closely at the complete spectrum of their work."

Here Robin Crnne has hit the controversial bull's-eye — the perennial commission versus fee debate.

The short answer is that under the present terms of accreditation, only the commission system is permitted in this country. Nevertheless, it is not beyond the bounds of possibility that this situation could change one day.

The real-life answer is that the fee system is used in a number of countries but only in tandem with an existing commission system.

Where there is a choice, and some agencies operate both systems, the commission system still dominates.

The practice of agency accreditation can be observed only if a commission system exists.

And, finally, because space does not permit printing the

letter in full, Crnne continues: "Because of the lack of interest from agencies we are often forced to go direct to their clients. A good example was when New Zealand had their epic test cricket win over England in 1977. We sent a telegram to every advertising agency the day after the victory (a costly exercise) inviting bookings in "The Cricket Player" for a special souvenir issue. We received one booking from an agency, but 10 times more when we ultimately want direct to clients."

Ah, well, you can't win 'em all.

TRADING banks present a similar, superficial appearance to their customers and provide almost identical services — so they have particular problems of identity.

The National Bank has embarked on an exercise to strengthen its identity through a new, bold and distinctive corporate symbol.

For some years now, the bank has employed a cursive style of lettering for the bank's name. But it has not proved a happy choice in such applications as banking signage.

It was decided to effect a complete change and introduce a new symbol and house type. The symbol selected was the black horse used for many years by Lloyds Bank Group with which the National is associated. It is not only distinctive, the bank feels, but has a strong and traditional appearance.

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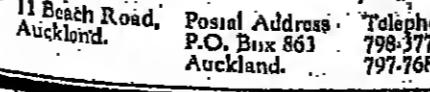
To state that we are looking for a Media Manager could well put off the very person who may prove ideal for this position. The person we seek may be working in an existing agency media position, but they could also be currently involved in one of the media, market research or product management.

The successful applicant will be required to — 1. Design, execute and analyse relatively sophisticated media research.

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3. Confidently present media recommendations to clients. Naturally, this position is a senior one, and the applicant would have to work with little or no supervision. However, training on some aspects of the job would be given where required. The client responsibilities will ensure scope and job satisfaction. The rewards will be very attractive.

Applicants should contact Geoff Kirkham at Colenso Communications, P.O. Box 27043, Wellington, or telephone 347780.

11 Beach Road, Auckland. Post Address: P.O. Box 863 Auckland. Telephone: 299-377. Signature: 

Drive for public sympathy to win pay claim

by John Draper

DRIVERS are accelerating ahead in more ways than their claim for a 20 per cent rise suggests.

At the first big union in the annual wage queue, the Drivers' Federation sets the pace for the rest to follow.

This year, talks stalled on the starting grid. But not before the drivers had put

their case to the public as well as employers.

Riding on the success of last year's slick advertising campaign — showing who got how much for driving what — the federation last week passed another milestone.

Sixty delegates assembled in Wellington's Grand Hotel for a pre-conciliation conference and invited the press along to

talk to the "rank and file drivers".

The case was presented and the speeches of solidarity which followed barely concealed the industrial muscle being flexed for the fight.

And to the observer, the drivers seem to have a point. As the trend-setters, they are usually left in the dust by

other unions which start off where they pull over for the year.

Inflation and the resultant rising cost of living has hit them hard.

One owner-driver from Taranaki made the point for all. A year ago he was taking home \$170 a week. Now it's only \$120.

Public sympathy and understanding is a major factor in winning pay rises, says union president Ken Dougins.

The sinking of the seaman's enc is 1972 — despite tying up all ships round the coast — proves the point, he argues.

"When groceries and building materials and other supplies are not being delivered, it helps if the public understands our case," he said.

Dougins says it has resulted in many employers reorganising work to make sure they avoid paying out.

Perhaps the ILO, a United Nations body, should have included similar penalty provisions.

KEN DOUGLAS ... less pain with soft boots.

They are unlikely to be the last. Other unions toward the bottom of the pay heap may be tempted to call on the public's support for "a decent living wage".

But it seems unlikely that freezing workers, the cooks and stewards and others among the industrial elite would opt to use similar tactics.

Tired drivers truck on

by John Draper

GENEVA: This year the

Drivers' Federation

president Ken Dougins

points out that there have not, to his knowledge, been any

prosecutions in the last two

years for breaching the

regulations.

Nonetheless the federation is

pushing for double time to be

paid for the period drivers are

required to work in their

compulsory breaks.

It seems the employers, the

Ministry of Transport and the

Trade Unions

are unlikely to be the

last. Other unions toward the

bottom of the pay heap may be

tempted to call on the public's

support for "a decent living

wage".

The drivers are thought to be

the first union to present their

case for a pay rise to the public

before the employers.

last. Other unions toward the

bottom of the pay heap may be

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But it seems unlikely that

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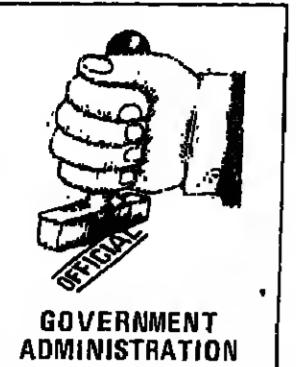
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Lawyers slam snail's pace of PO housing loans

by Rae Mazengerb



GOVERNMENT
ADMINISTRATION

ADMINISTRATION of the Post Office housing loans scheme has been criticised by lawyers who complain of red tape and long processing delays.

And one lawyer indicts the Post Office for introducing restrictive rules after moving into the market.

The Government had initially made the loans available to fill the second-mortgage gap. But its later requirement of a 12-month savings history with the Post Office means that some 50 per cent of first-time buyers are ineligible.

But the Post Office is satisfied that applications for second-mortgage finance under the scheme are handled in an "expeditious manner".

And it points out that, at the end of February, some \$48 million was out on loan.

Lower Hutt lawyer Phil Hale maintains it is rare for a mortgage application to be processed within six to eight weeks.

and this does take time, depending on how quickly the response is received . . . on average the processing time for most loans takes from three to four weeks, but on occasion it could take longer," he said.

Rather than find the Post Office procedures "expeditious", lawyers say they are a "hassle".

There is general agreement that if the Housing Corporation is not first mortgagee, processing time could amount to three to four weeks.

But applications involving the Housing Corporation require a valuation report. And processing them can take up to 10 weeks, lawyers claim.

The Post Office counters: "In those cases where the Housing Corporation is the first mortgagee, the Post Office loan application cannot be finalised until a valuation figure is supplied by the Housing Corporation and that can take up to three weeks".

However most applications require clarification either by the solicitor or the applicant.

"The Post Office doesn't tell you if an application has been declined or approved", said one lawyer. Rather, lawyers are expected to ring regularly.

The Post Office contends lawyers omit to supply vital information, and hence, "to minimise the delay extensive use is made of the telephone".

Then the period — on some occasions — might be reduced to as little as three months.

On the other hand, some lawyers insist the Post Office stops processing an application without informing the solicitor that extra information is required.

Hale says lawyers must "accept there will be delays if we're dealing with a Government department".

But he asks: Can the Post Office justify the restrictive nature of the scheme?

The loans were introduced apparently with no strings attached, he said.

Some time later, the Post Office "surreptitiously" changed the policy. That cut a large number of prospective lenders out of the running.

The problem may be one of communication. Applicants now must hold a savings account, and must have had a savings history with the Post Office in the 12 months prior to applying — unless, as one lawyer pointed out, an applicant looked like bringing good business to the Post Office.

from month to month.

At the time of the policy change, the then Post Master General, Peter Wilkins, pointed out that because of the large number of applicants, the POB personal loans board would pay more attention to the savings record of applicants.

Hale is among those who say the criteria are too stringent. But the Post Office contends its policy is simply sound prudent business practice.

"Currently loan applicants are required to undertake the banking with the POB during the currency of a loan unless banking service is required which is not available from the POB, that is, overall facilities or where another bank has provided the first mortgage," the spokesman said.

In July last year, the extent of lending became linked to the success of the Post Office Savings Bank.

Finance is now provided on a basis of 30 per cent of growth of deposits and hence the amount available for lending varies

39 kilometres with 12 intermediate stops and a one way running time of about 50 minutes, most of the peak-time trains can manage only one useful trip and the same of course can be said for the off-peak.

Everyone has got home and away or another by the time a train has got back to Wellington from a run to Pekakariki with home-bound commuters.

The carriages go back to the sidings to await a morning run, crews who by now are probably on some sort of penal rates must be signed off or employed elsewhere, track capacity reverts to idleness, and the off-peak service resumes.

How does this fit in with the Railways pricing policy? People travelling at the peak time, when it can be demonstrated that the cost of providing a train ride is higher than at off-peak times, mostly travel at concession rates.

This is the norm for urban public passenger transport in most parts of the world.

Furthermore, New Zealand has cheap concession tickets because governments in the past decreed that the Railways should strike such rates. But if you ride the trains for busier off-peak at infrequent intervals, buying individual tickets, you are in effect subsidising the peak-time commuters in that you are paying something closer to the cost of your trip, while the regular patrons are getting it on the cheap.

I've done my arithmetic, but I'm sure that if it's off-peak service runs of a deficit, the loss is minimal. While this entirely satisfactory service is running, the peak-hour service is not. Carriages by the dozen stand idle in the sidings of Wellington, earning no money. The extra track is unused and, somewhere there must be staff if there was something for them to do.

The logical response — to charge peak-hour travellers an extra high fare to reflect the higher costs — is apparently never considered.

It can be argued that it does not really matter which way

fares are juggled. We could have a general fare increase and introduce a low off-peak rate at the same time, or we could increase peak-hour fares only — the effect would seem to be the same in the annual result is in the black, but the return on investment in aircraft and so on is dismal.

If the airline was privately owned something would have to be done because shareholders could get a better return of return from the Post Office Savings Bank.

In the year to March 31, 1978, NAC in its final year of separate operation turned in a profit of \$2.9 million. The balance sheet value of planes, spare parts, land and buildings and other fixed assets was \$66.5 million.

In early morning and early evening the airline has a product which is in strong demand — inter-city travel. So it charges normal fares. But if the fleet tends to be based on the morning and evening inter-city peak travel requirement.

To keep these planes operating at other times, the passenger transport operator

probably tends to build up his capacity to meet peak demand, and the result is that the overall cost of providing a service throughout the day rises because of uneven loadings.

Airline executives will probably regard this as playing with words — they should know all about that — and "first class" travel and "economy class", the latter being a fancy way of saying "second class". Only railroads have "second class" travel.

Disincentive fares for air travel might get off the ground. But I imagine there would be a strong reaction from users if the same stunt was tried in the case of urban services.

Passenger transport operators tend to regard the off-peak as a time to encourage patronage... at the same time they should regard the peak time traveller as someone to be positively discouraged.

The alternative of mechanically churning out more trains, planes, buses and ships is easier for an ever-growing peak isn't producing the sorts of dividends obtainable from other service industries.

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Urban routes run on topsy turvy price pattern

by Bob Slott

A BUSINESSMAN who lowered prices when costs were high and raised them when costs would end in financial ruin . . . unless the "business" was passenger transport.

Publicly owned passenger transport, particularly of the urban variety, follows this up-and-down pattern of pricing, yet survives because it has access to near-unlimited funds in the form of subsidies from taxpayers, ratepayers or users of other services which are inherently profitable.

The urban transport sector gives a discount to regular customers (fair enough in itself but almost by definition, those regular customers all demand travel at the same time).

In other words, most holders of commuter concession tickets travel at peak times, when costs are highest. On the other hand, the casual off-peak traveller, whose travel is made at times when it should be a market, generally travels at "normal" fares . . . not higher than commuter concession ticket fares.

I live near the Wellington-Pekakariki line, which is double-tracked throughout most of its length. A basic hourly service operates throughout the day, requiring two three-car electric trains, each train with a crew of three.

The railway is shared by goods trains and long-distance passenger trains, but a single track suffices except at peak periods.

The trains arrive mostly at Wellington with near-full loads and depart well-filled throughout the day. Patronage lots of the further out the train goes.

By the time Pekakariki is reached, often only a handful are on board. Even so, this basic service of two trains shuttling to and fro, heading only a single line and carrying a good proportion of "normal fare" passengers, can almost certainly be shown to be profitable.

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Boom predictions fall short on evidence

by Helen Pickford,
former editor of the
central Taranaki newspaper,
the Stratford Press

TARANAKI people are being pressured by the Government and Natural Gas Corporation into accepting that the controversial ammonia-area fertiliser plant at Kapuni will mean boom times for the province.

Land and Environment Minister Venn Young, in whose electorate the plant will be sited, is emphatic that the multi-million complex will mean more jobs for locals and bring other benefits.

The State is being helped in its efforts to impose its will by Taranaki's daily and community newspapers which, if they do publish anti-Kapuni reports, tend to bury them in the back pages of their publications. None of the Taranaki press seems to have made much effort to check or verify the reports from Government or the Natural Gas Corporation, nor have they made any attempt to do an in-depth study of the plant and its alleged economic benefits.

In contrast, great prominence has been given in the local press to the Jasmat report and safety of the plant claimed by NGC officials.

To support his views, Minister Young holds the recently published (but incomplete) Jasmat planning report on the site. This says the "benefits far outweigh the disadvantages".

The report predicts more work being generated for locals and \$2 million in savings in overseas funds —

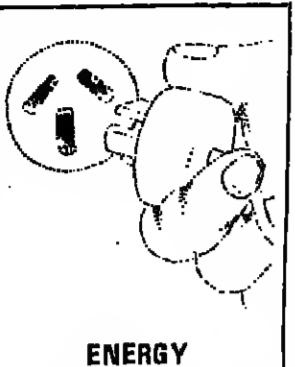


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In fact, the Jasmat report offers no evidence to back its statements of benefits and wealth to the province and it puts forward quite a different view on the matter than the study done by an Inter-departmental committee on the development of a petro-chemical industry in the province.

Young and Energy Minister Bill Birch say the Jasmat report supersedes that 1978 study. However, the Government itself saw fit to have it printed and published for public consumption in 1978.

The Jasmat report describes the wealthy dairy farming area of south Taranaki as depressed, stating it has suffered a population decline with young people leaving the area to find work.

But this is a natural effect of increasing mechanisation of farming, and the surrounding towns of this wealthy farm area have settled into stable communities.

The Jasmat report says the plant will provide jobs both during and after construction and the local people and district will be able to absorb the impact of any extra people who may have to be brought into the district.

"The district will feel the benefits of the injection of money into the area," says Jasmat, "through both wages paid and materials purchased."

But the 1978 petro-chemical study has different views. The complex, it says, could involve considerable strain and dislocation on the social services available in the small communities.

"Generally, petro-chemical plants show a pattern of high capital intensives with relatively low labour requirements."

The 1978 report sees the major impact as the increased spending power of the people in the district — as having rather an adverse than advantageous effect.

"The extra money could force prices up," it warns, "and force local employers into having to offer higher wages in order to get and retain staff."

As to the generation of extra work, the 1978 report says the complex was unlikely to produce extra work for the service firms in the area because of the highly technical nature of the plant.

It is expected that during construction, the plant will provide work for between 200 and 400 people and take about four years to complete.

With Kapuni as the hot favourite for the siting of a methanol complex as well, this number could well swell to an extra 1000 people in the area.

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At Huntly, the town could suddenly had to enter in housing business planning divisions to provide homes for the project workers.

The relatively young workforce also meant extra facilities to provide homes for the project workers.

As to any boom or extra money benefits to the Taranaki towns from the Kapuni project, Fookes considers this highly unlikely.

"At Huntly, at best the power project helped the town ride out the worst of the negative aspects of the present economic recession. There was certainly no boom."

Fookes emphasises that while planning many of the problems can be overcome. The other major need, he says, is for the continual monitoring of the effects of such large projects even after building is finished and the plant is in operation.

"This", says Fookes, "will ensure the people of the area being able to cope and care for the resulting problems if loss of population and other miniters."

"Unless Government minites direct grants, the local authorities' only cash flow is from rates and National Roads Board funds," Fookes says. "And because of the five-year lag in land valuations there is a gap in what the authorities have in cash in hand. So a town council is forced to borrow to gain the necessary money to cover and provide extra services."

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